



# City of Pickering 2020 Development Charges Update Study

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Development Industry Stakeholders  
Presentation

November 12, 2020



# Introduction

## Background

- The City of Pickering passed Development Charges (D.C.) By-law 7595-17, based on the “City of Pickering 2017 Development Charges Background Study”, dated October 5, 2017, as amended (2017 D.C.B.S.)
  - By-law 7595-17 came into effect on January 1, 2018
- By-law 7595-17 was amended in 2019 based on the “City of Pickering Development Charges Update Study” dated October 16, 2019, as amended
  - By-law amendment reflected changes to the calculation of the charge resulting from:
    - Updated cost for the City Centre Project included within Parks and Recreation Services, and Library Services; and
    - Other cost updates related to Protection Services, Transportation Services, and Administration Studies



# Introduction

## 2020 D.C. By-law Amendment

- A D.C. Update Study has been prepared to further amend the 2017 D.C.B.S. (posted to the City's website on October 15, 2020, with an addendum dated November 2, 2020)
- Purpose of the By-law amendment is to:
  - Reflect recent amendments to the *Development Charges Act* (D.C.A.) made through the *More Homes, More Choice Act*, and *COVID-19 Economic Recovery Act*, including:
    - Changes to the D.C. recoverable costs (i.e. removal of the 10% statutory deduction); and
    - Changes to the timing of calculation and collection of D.C.s and statutory exemptions
  - Update the capital needs and capital cost estimates for:
    - Transportation Services (including the Notion Road/Squires Beach Road 401 Crossing) Administration Studies, Parks and Recreation Services, and Library Services

# Transportation Services



## Notion Road/Squires Beach Road 401 Crossing

- EA Study has been undertaken to assess the future need for the Notion Road/Squires Beach Road 401 Crossing
- Estimated at \$64.9 million (2017\$) including construction, utility relocation, land acquisition, and design
- Project determined to benefit development outside of the defined Seaton Lands, consistent with the approach for Transportation Services with the current D.C.-By-law
- 40% of costs deducted as benefit to existing development to recognize improvements to the connectivity of the existing road network and benefits attributable to development outside of Pickering
- 14% of total costs deducted as benefit to growth beyond 2031 based on the anticipated buildout of the Durham Live lands
- \$29.5 million included in the calculation of the charge

# Transportation Services

## Other Updates



- Removal of projects not required with the inclusion of the Notion Road/Squires Beach Road 401 Crossing:
  - #12 – Notion Road – Kingston to 350m South
  - #28 – Kellino Street – Squires Beach to Church
  - #29 – Squires Beach Road – Bayly to CNR Tracks
  - \$2.8 million total decrease in D.C. recoverable
- Updated cost estimate has been provided for project #44 (Walnut Lane Extension – construction and contract admin)
  - \$5.7 million gross cost estimate compared to \$2.5 million in the 2017 D.C.B.S.
  - Increase D.C. recoverable costs by \$2.4 million
- Total D.C. eligible costs increase by \$29.1 million (increase from \$67.7 million to \$96.8 million)

# Parks and Recreation Services



- Total D.C. eligible costs of \$164.6 million vs. \$145.8 million in 2019 Update Study (+\$18.8 million)
  - Gross capital cost estimate for the City Centre Projects (Youth & Senior's Centre and community uses within the Arts Centre) increased by \$1.2 million
    - Reflective of correct apportionment of cost estimates included in the 2019 D.C. Update Study
  - Removal of 10% statutory deduction (\$17.6 million)

# Library Services



- Total D.C. eligible costs of \$27.9 million vs. \$24.8 million in 2019 Update Study (+\$3.1 million) as a result of the removal of the removal of 10% statutory deduction
- A new Library Services Outreach Vehicle has been identified to provide service new communities
  - \$220,000 gross cost estimate (\$198,000 D.C. eligible costs)
  - Due to the historical level of service cap, there is no increase to the D.C. eligible costs included in the calculation of the charge



- The studies included within the Administration Studies Service in the 2019 Update Study have been included in a separate class of Growth-Related Studies
  - All studies have been apportioned to the City's benefitting D.C. services
- Other updates include:
  - Removal of the 10% statutory deduction (\$573,200)
  - 10% deduction applied to general growth-related studies to reflect the benefit to D.C.-ineligible services
  - Inclusion of additional growth-related studies adding \$326,400 in D.C. eligible costs



# D.C. Amendment

## Proposed Schedule of Charges (2018\$)



Service/Class	RESIDENTIAL				NON-RESIDENTIAL	
	Single and Semi-Detached Dwelling	Apartments - 2 Bedrooms +	Apartments - Bachelor and 1 Bedroom	Other Multiples	(per ft <sup>2</sup> of Total Floor Area) <sup>2</sup>	(per net Ha of Prestige Employment Land in Seaton)
<b>Municipal Wide Services/Classes:</b>						
Other Services Related to a Highway Protection Services	441	279	197	356	0.15	5,451
Parks and Recreation Services	896	566	401	724	0.34	11,522
Library Services	6,821	4,309	3,053	5,507	0.53	17,885
Growth-Related Studies	1,127	712	505	910	0.08	2,693
Stormwater Management	299	189	134	242	0.11	3,846
	288	182	129	233	0.10	3,503
<b>Total Municipal Wide Services/Classes:</b>	<b>9,872</b>	<b>6,237</b>	<b>4,419</b>	<b>7,972</b>	<b>1.31</b>	<b>44,900</b>
<b>Outside of Seaton Lands</b>						
Transportation <sup>1</sup>	9,292	5,870	4,159	7,502	2.61	
<b>Total Services Outside of Seaton Lands</b>	<b>9,292</b>	<b>5,870</b>	<b>4,159</b>	<b>7,502</b>	<b>2.61</b>	
Seaton	9,872	6,237	4,419	7,972	1.31	44,900
Rest of Pickering	19,164	12,107	8,578	15,474	3.92	

# D.C. Comparison (2020\$)

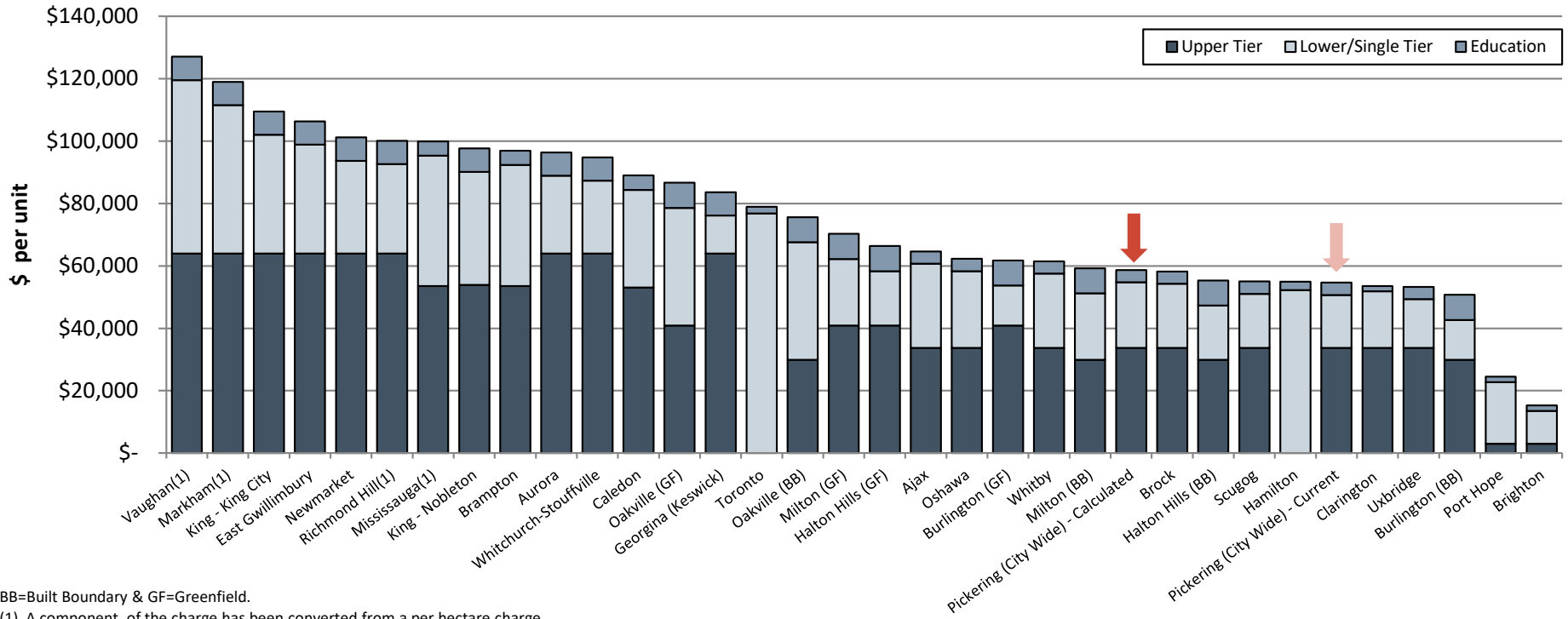


Service/Class	Residential Single and Semi-Detached Dwelling				Non-Residential (per ft <sup>2</sup> of Total Floor Area) 2				Non-Residential (per net Ha of Prestige Employment Land in Seaton)			
	Current	2020 Amendment	Change (\$)	Change (%)	Current	2020 Amendment	Change (\$)	Change (%)	Current	2020 Amendment	Change (\$)	Change (%)
<b>Municipal Wide Services/Classes:</b>												
Other Services Related to a Highway	483	483	-	0%	0.17	0.17	-	0%	5,983	5,983	-	0%
Protection Services	983	983	-	0%	0.36	0.36	-	0%	12,647	12,647	-	0%
Parks and Recreation Services	6,639	7,488	849	13%	0.53	0.58	0.05	9%	17,602	19,633	2,031	12%
Library Services	1,100	1,237	137	12%	0.07	0.09	0.02	29%	2,631	2,956	325	12%
Growth Related Studies	315	328	13	4%	0.12	0.12	-	0%	4,035	4,222	187	5%
Stormwater Management	316	316	-	0%	0.11	0.11	-	0%	3,846	3,846	-	0%
<b>Total Municipal Wide Services/Classes</b>	<b>9,836</b>	<b>10,835</b>	<b>999</b>	<b>10%</b>	<b>1.36</b>	<b>1.43</b>	<b>0.07</b>	<b>5%</b>	<b>46,744</b>	<b>49,287</b>	<b>2,543</b>	<b>5%</b>
<b>Outside of Seaton Lands</b>												
Transportation <sup>1</sup>	7,159	10,200	3,041	42%	2.02	2.87	0.85	42%	-	-	-	-
<b>Total Services Outside of Seaton Lands</b>	<b>7,159</b>	<b>10,200</b>	<b>3,041</b>	<b>42%</b>	<b>2.02</b>	<b>2.87</b>	<b>0.85</b>	<b>42%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0%</b>
Seaton	9,836	10,835	999	10%	1.36	1.43	0.07	5%	46,744	49,287	2,543	5%
Rest of Pickering	16,995	21,035	4,040	24%	3.38	4.30	0.92	27%	46,744	49,287	2,543	5%

# Residential D.C. Comparison



**Residential Development Charges**  
**Per Single Detached Dwelling for Greater Toronto Area Municipalities**  
**as of November 9, 2020**



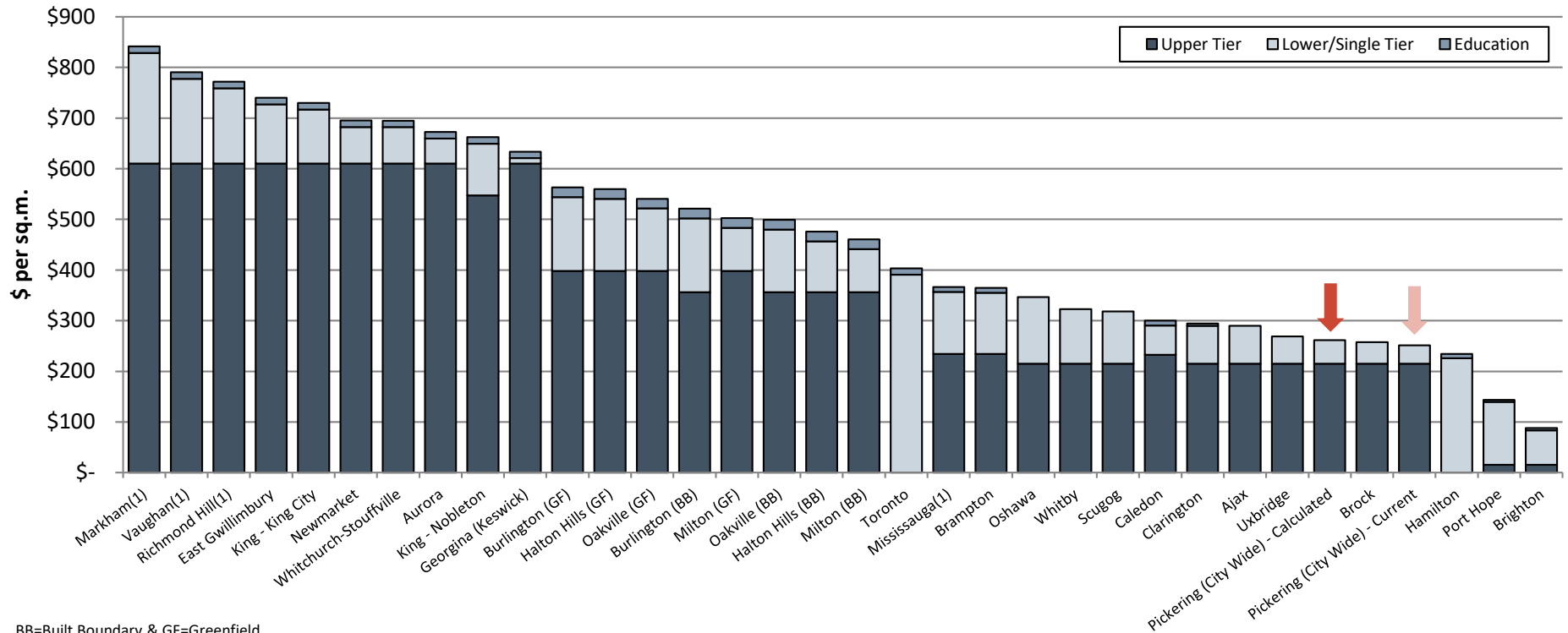
BB=Built Boundary & GF=Greenfield.

(1) A component of the charge has been converted from a per hectare charge

# Commercial (Retail) D.C. Comparison



**Non-Residential Development Charges  
Per GFA of Commercial Floor Area for Greater Toronto Area Municipalities  
as of November 9, 2020**

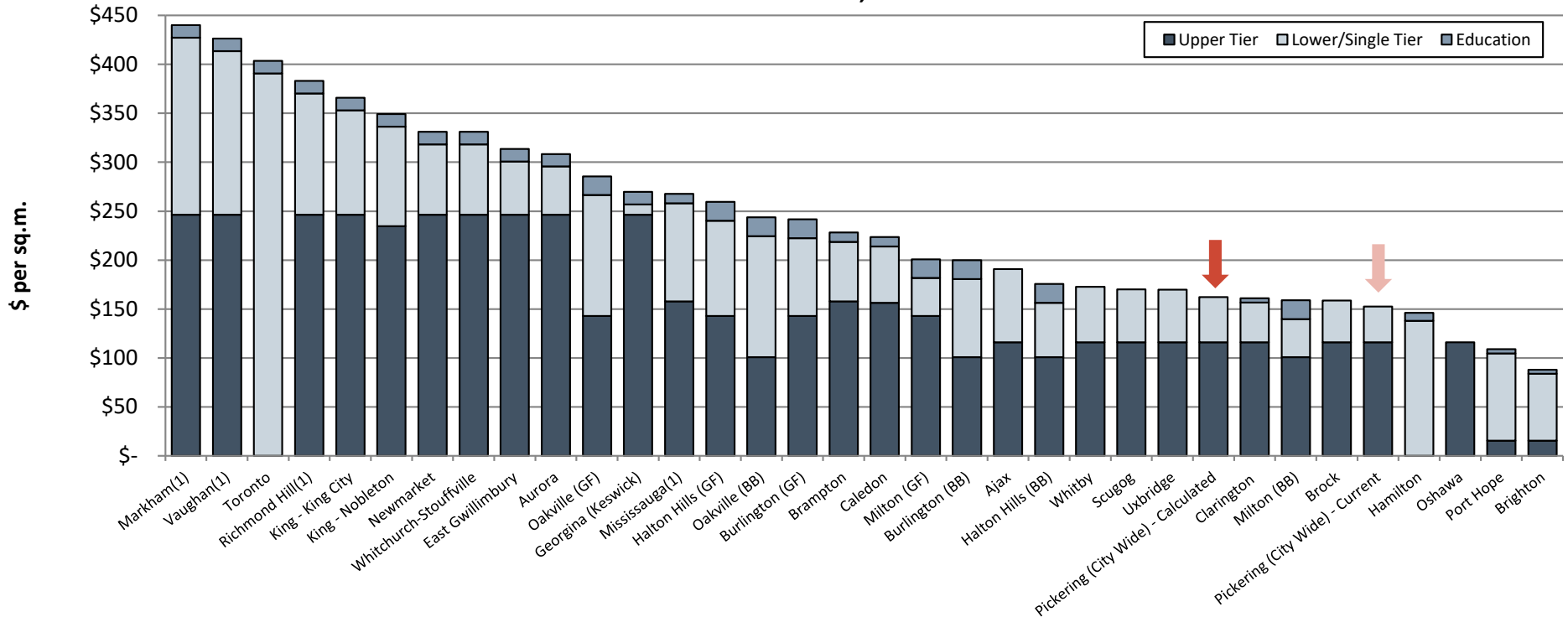


BB=Built Boundary & GF=Greenfield.

# Industrial D.C. Comparison



**Non-Residential Development Charges  
Per GFA of Industrial Floor Area for Greater Toronto Area Municipalities  
as of November 9, 2020**



BB=Built Boundary & GF=Greenfield.

## D.C. By-Law Policies



- **Except for the following revisions, policies contained within By-law 7595-17, as amended, remain unchanged**
- Rental housing and institutional developments will pay D.C.s in 6 equal annual payments, commencing from the date of occupancy
- Non-profit housing will pay D.C.s in 21 equal annual payments, commencing from the date of occupancy
- D.C. for developments proceeding through Site Plan or Zoning By-law Amendment will be determined based on the charges in effect on the day the application is made
  - Charges to be frozen for a maximum period of 2 years after planning application approval
- Interest on installment payments and charges calculated at Site Plan or Zoning By-Law Amendment application will be imposed as identified in City Policy #FIN-09-20 (i.e. Prime plus 2.0%)

# D.C. By-Law Policies

## Cont'd



- Statutory Exemptions
  - Residential intensification (within existing residential buildings or structures ancillary to existing residential buildings):
    - May add up to two apartments for a single detached home as long as size of home doesn't double
    - Add one additional unit in medium & high density buildings
- The creation of a second dwelling unit in prescribed classes of new residential buildings, including structures ancillary to dwellings

## Next Steps



- Statutory Public Meeting – December 7, 2020
- Council will receive input from the public and consider any amendments to the D.C.B.S. and draft By-law
- Council to approve D.C.B.S. Update and consider adoption of D.C. By-law – December 14, 2020
- D.C. By-law amendment to proposed to come into effect on the date of by-law passage